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Summary Report

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Summary of Presentations Calgary Public Forum

February 27-28, 1992

Alberta
GOVERNMENT OF ALBERTA

TOWARD 2000 TOGETHER

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TOWARD 2000 TOGETHER

CALGARY REGIONAL PUBLIC FORUM
SUMMARY OF PRESENTATIONS

Glenbow Museum Theatre

February 27-28, 1992

GOVERNMENT PANEL

Hon. Rick Orman (Chair) - Minister of Energy, Chairman, Economic Planning Committee of Cabinet

Hon. Fred Stewart - Minister of Technology, Research and Telecommunications

Hon. Ernie Isley - Minister of Agriculture, (Thursday afternoon)

Dianne Mirosh - Chairman, Economic Affairs Committee of Caucus, MLA, Calgary-Glenmore

Bonnie Laing - MLA, Calgary-Bow, (Friday afternoon)

PRESENTATIONS

THURSDAY, February 27, 1992

1. Independent Petroleum Association of Canada - Gerry Protti, Charlie Fischer
2. Consulting Engineers of Alberta - Darryl Danyluk, Al Stretch
3. City of Drumheller - Mayor Jim Fisher, Richard Grams
4. Canadian Petroleum Association - Ian Smyth, Lorne Gordon
5. Joint Presentation:

   Canadian Association of Oilwell Drilling Contractors - Don Herring, Doug Rourke

   Petroleum Services Association of Canada - Jerry Thomson, Roger Soucy
6. Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA) - Dave Devenny, Noel Cleland, Bob Ross
7. Private Citizen - Ann Wilson, Executive Director, Calgary Catholic Immigration Society
8. Private Citizen - Ted Morawiec, The Global Manufacturing Consortium
9. Town of Canmore - Mayor Paula Andrews
10. Siksika Economic Development Corporation - Ron Many Heads
11. LaFarge Canada Inc. - Jack Paine
12. Building Owners and Manufacturers Association - Bill Partridge, Herb Reynolds

FRIDAY, February 28, 1992

13. Calgary Convention and Visitors Bureau - Henry Kutarna, Doug Lauchlan
14. Town of Olds - Hugh Bodmer
15. Alberta Wheat Pool - Ray Schmitt, Mike Scally
16. Calgary Economic Development Authority - Bruce McDonald, Ron Nichol
17. Calgary Chamber of Commerce - John Currie, Bill Kaufmann, John Simpson (Standens)
18. Calgary Research and Development Authority - Bill Croft, Alastair Ross, Fred Mannix
19. Mount Royal Faculty Association - Wayne Haglund
20. Students Association of Mount Royal College - Sandeep Dhir

21. S.A.I.T. - Dale Landry

22. University of Calgary - Murray Fraser, Dr. Don Dedemassey

23. Mount Royal College - Thomas Wood, President

24. Calgary Regional Planning Commission - Ivan Robinson

25. City of Calgary - Mayor Al Duerr

26. Private Citizen - Duane Sharman

ALBERTANS VOICE IDEAS ON ECONOMY AT CALGARY PUBLIC FORUM

A government panel heard submissions from 26 organizations and individuals in a public forum on a new economic strategy for Alberta held February 27 and 28 in Calgary. The meeting was the fourth in a series of public forums designed to give all Albertans a say in setting the province's economic priorities for the future. The forums are part of a major economic planning initiative, Toward 2000 Together, launched by Premier Don Getty last August.

Submissions ranged from pleas by the petroleum industry for royalty reductions to suggestions on how to make the educational system more relevant to the requirements of a competitive global economy. Presenters included private citizens as well as representatives from municipalities, business and community groups and educational institutions.

Alberta Energy Minister Rick Orman, chairman of the Economic Planning Committee of Cabinet and MLA Calgary-Montrose, chaired the forum. Other members of the government panel receiving submissions were: Technology, Research and Telecommunications Minister Fred Stewart, MLA Calgary-North Hill; Dianne Mirosh, chairman of the Economic Affairs Caucus Committee and MLA Calgary-Glenmore; Agriculture Minister Ernie Isley, MLA Bonnyville; and Bonnie Laing, MLA Calgary-Bow.

In his opening remarks, Mr. Orman noted that the presenting groups would be speaking for "tens of thousands of people throughout Alberta." He explained that the public forums are among many initiatives that will lead to the formulation of a new economic development strategy for the province for the balance of the 1990s.

"We have to challenge our traditional assumptions and our traditional decision-making processes" in order to be competitive globally, he said. As well, "the traditional role of government must be assessed and reviewed."

Mr. Orman reported that roles suggested for government in previous Toward 2000 Together forums included fostering strategic alliances between groups such as business and labour, and encouraging a pan-Alberta competitiveness in place of inter-jurisdictional rivalries that pit one Alberta city or region against another. The forums have also raised the question as to what kind of infrastructure is needed for a knowledge-based economy and what role government should play in its creation. Maintenance of quality of life has also been a common theme, Mr. Orman said.

SUBMISSIONS

The following are highlights of the written and verbal submissions presented during the forum:

Thursday, February 27, 1992

1. Independent Petroleum Association of Canada: Gerry Protti, Executive Director; Charlie Fischer, President and CEO of Encor Inc., IPAC Chairman-Elect

IPAC feels the Toward 2000 Together document understates the importance of the oil and gas industry to the past, present and future of the Alberta economy. In terms of such measures as GDP, exports, royalty payments, and investment, the upstream oil and gas industry currently has the same significance for the Alberta economy as it did in the 1970s.

The industry contributed $42 billion to the Alberta treasury during the 1980s. Despite lower expectations for commodity prices, IPAC forecasts the industry will contribute $34 billion in the 1990s.

The oil and gas industry directly or indirectly accounts for 70% of all goods produced in Alberta and 50% of all income and output. The strength of the oil and gas sector will continue to be the single most important determinant of economic growth and prosperity in Alberta in the foreseeable future.

Many benefits of new industries can be achieved by diversifying existing industries through expanding product lines, improving products or upgrading resources.

Diversification must be only one part of an overall strategy that focuses on policies to preserve existing strengths in our economy.

The oil and gas industry is working to become more efficient and competitive. Government also needs to increase efficiency and productivity. Taxes and royalties have a major impact on the industry's competitiveness. IPAC recommends that government:

- adopt the objective of reducing economic instability as the focus of a new economic strategy;
- not participate in the marketplace by equity participation or loan guarantees -- "don't pick winners";
- change the royalty system to allow the industry to be competitive;
- develop simple measures of public sector performance and apply them;
- pursue a broad spectrum of policies to enhance economic stability and industrial competitiveness; and
- pursue diversification through a market-based approach rather than targeting specific industries for assistance.

Mr. Orman pointed to the province's significant petrochemical and food processing industries as examples of diversification based on Alberta's oil and gas and agriculture industries.

Ms. Mirosh asked how the oil and gas industry stacks up in terms of jobs created and how to address the problem of jobs lost during down cycles in the industry.

Mr. Fischer pointed out that the industry is responsible for the high level of education in the Alberta labour force and considerable job spin-off. Even in a downturn, people will use skills gained in the industry in other ways.

Mr. Stewart agreed a lot of Alberta's strength in the high technology sector is due to spin-off of skills from the energy industry. He asked how the government might assist in development of infrastructure.

Mr. Protti pointed to the government's encouragement of scientific research and commercialization of technologies in medical sciences as an example of the kind of research support that benefits the economy.

Mr. Fischer added that government could help strengthen relationships between universities and business in research and training.

2. Consulting Engineers of Alberta: Darryl Danyluk, President; Al Stretch, Board Member

The organization represents 7,000 employees in 500 firms contributing $1.2 billion to the Alberta economy. Consulting engineering is a knowledge-based industry dominated by small firms. Alberta firms compete successfully internationally in the areas of environment, infrastructure and transportation.

Among Alberta's weaknesses are:

- insufficient number of experienced international marketers in the service sector;
- small population base, small market size;
- distance from markets creating transportation problems;
- taxation regimes that are competitive but not attractive; and
- size of governments at each level.

Alberta's strengths are:

- knowledge base developed during prosperity years;
- infrastructure needed for prosperity: transportation, utilities, education, social and recreational amenities, water, etc.;
- government with a will to prosper;
- international reputation for quality and integrity;
- network of Alberta Houses around the world;
- wealth of natural resources and primary industries to build on; and
- developing services sector with excellent export potential

CEA believes the role of government is to facilitate and put into place policies to allow the marketplace to operate freely. Some specific recommendations include:

- more efficiency in the public sector;
- streamlined approval processes;
- elimination of inter-provincial barriers;
- non-restrictive government purchasing procedures;
- privatization of services;
- public sector administrative costs in line with private sector delivery costs;
- corporate tax environment that is the most attractive in North America;
- balance operation and administration costs against capital expenditures;
- continued development of infrastructure;
- continued encouragement of research and development;
- applied research that is market driven with private sector partners;
- importation of new technologies to Alberta; and
- elimination of disincentives to enter the engineering profession, such as "liability for life" restrictions.

Ms. Mirosh pointed out that Alberta's Export Loan Guarantee program has been 97% successful. Have any CEA members used this program and should it continue?

Mr. Stretch suggested that Alberta could work more closely with other lending institutions to get a larger multiplier of expenditures.

Mr. Danyluk said that Canadian companies often find themselves in competition in the global marketplace with other Canadian companies with an unfocused array of government support. Perhaps government should focus its efforts behind fewer companies and facilitate joint ventures and other cooperative efforts of small firms in the global marketplace.

Mr. Stewart asked what government's role could be in encouraging these strategic alliances.

Mr. Stretch suggested government could assist by providing information, identifying areas where Alberta has strength and focusing support in those areas in cooperation with other lending agencies.

3. City of Drumheller: Mayor Jim Fisher, Richard Grams

Alberta's chief resource is its people and half of them live outside the major cities of Edmonton and Calgary. Therefore, we need to ensure the continued viability of smaller communities. The most effective approach to rural economic development is for communities to work together in regional partnerships.

Drumheller has benefited from Alberta government support, specifically through the Community Tourism Action Program, Team Tourism and the Business Initiatives for Alberta Communities program. It is crucial to continue this support for smaller communities.

With CTAP and Team Tourism Drumheller has been able to enhance its world-class tourism status based on the Royal Tyrrell Museum. BIAC gave rise to the Drumheller Regional Economic Development Board, a partnership of the City with five other municipalities. This provided, along with the Drumheller Valley Tourism Bureau, the first effective community-based framework to achieve economic self-determination and prosperity.

The City recommends that the provincial government:

- maintain the present level of support through the BIAC program for another two years and also continue Team Tourism;
- downplay direct assistance in favour of a more global agenda for attracting new business;
- restructure the provincial corporate tax system to encourage businesses to locate in rural areas and pursue targeted activities such as value-added processing and manufacturing;
- expand the Industrial Sites Location Service of Alberta Economic Development and Trade to better match industries with progressive rural municipalities; and
- implement a community bond program as put forward in the LDI process.

Ms. Mirosh asked Mr. Fisher to expand on how the community bond program might work.

Mr. Fisher said he hasn't considered details but would not recommend a 100% government guarantee, because it would not give participants enough stake.

4. Canadian Petroleum Association: Ian Smyth, Lorne Gordon

Mr. Gordon pointed out that while conventional oil production is in decline, there are opportunities to offset this through enhanced recovery and increased heavy oil and synthetic production. Also natural gas production will continue to be strong.

Competitiveness is at the heart of the issue. For instance, demand for natural gas is at an all-time high. But Alberta is a high-cost producer. Our gas reserves are a long way from market. Our regulatory environment is complex and expensive, partly due to environmental protection policies. However, the Association endorses effective environmental protection policies for the industry.

Alberta's royalty structure is the number one issue affecting the competitiveness of the industry. The CPA urges the government to revise the royalty structure to reflect changes in the industry.

Mr. Smyth said the Association has drawn up a set of 12 principles which should form the policy framework for a profoundly altered petroleum industry in the years ahead. They are presented in the CPA's brief, which will be submitted to the Toward 2000 Together process at a later date. He outlined four which are most important:

- In the future the industry's contribution to the treasury will come from economic spin-off of industry activities more than from resource revenues.
- Oil and gas trade must be governed by free market forces.
- The fiscal burden on the industry must not impede the competitive development of Canadian resources in the global market. This is important in order to reward investors and restore investor confidence.
- Emerging environmental goals must be integrated with economic goals through broad stakeholder consultation.

Mr. Gordon pointed out that in the year 2000 the oil and gas industry will still be the predominant industry in Alberta. Without changes to energy policy the condition of the industry will continue to deteriorate. "Don't short your winners."

Mr. Orman asked what other efficiencies, such as improving productivity, is the industry trying to achieve beyond layoffs to become more competitive.

Mr. Gordon said the industry is re-thinking everything it does. Advances in technology are improving productivity. Companies are removing layers of management and reorganizing around project teams, in addition to other measures.

Ms. Mirosh asked what would happen if royalties were reduced. Is there any guarantee there would be increased activity and no more layoffs?

Mr. Gordon responded that companies are "working feverishly just to stay in business." Those are legitimate questions which will need to be addressed. But if the present situation continues, he said, "we are not going to be in business."

Mr. Orman asked what role government should play, apart from the royalty regime, in working with the industry for a common objective.

Mr. Gordon said the industry is happy with the level of cooperation between government and industry in developing environmental legislation and this should continue. He said Alberta Energy has a good record of listening to industry.

Mr. Smyth added that, in general, government should focus on making sure playing fields are level by ensuring that the infrastructure and business environment are there "so the market can pick the winners and losers."

Open Forum

Ron Bear, taxpayer, said that the need to compete globally requires more innovative changes. For example, why not set up a free market zone in Canada without GST, CPP, royalties, red tape, etc. to compete with Taiwan, Singapore and Hong Kong?

Mr. Bear, who works for a major oil company, also asked, regarding industry pleas for reduced royalties, what would guarantee that the money would stay in Alberta and benefit the people who own the resource.

5. Joint Presentation: Canadian Association of Oilwell Drilling Contractors/Petroleum Services Association of Canada: Don Herring and Doug Rourke of CAODC; Jerry Thomson and Roger Soucy of PSAC

Doug Rourke made three points extracted from the CAODC's submission:

1. The oil and gas industry is now a "mature" industry but still has a vibrant future in Alberta if the government recognizes the need for change in the "fiscal burden" on the industry. A single industry with a 3% to 4% rate of return cannot continue to contribute 25% of the budget to run this province.

2. Alberta needs a regulatory environment that encourages business instead of one that sets up roadblocks.

3. The size and complexity of government has to be reduced.

Jerry Thomson presented a summary of PSAC's document. The spin-off of the oil field service and supply industry in terms of jobs is considerable, particularly in Alberta's small communities. Reduced investment in exploration is sapping the lifeblood of the industry. But industry costs are increasing even as profits decline because of "government interference" at every level. As the industry contracts, jobs in rural Alberta will disappear. High royalty levels will be responsible for eliminating the oil and gas industry as we know it.

PSAC recommends:

- a significant, permanent royalty reduction;
- a simplified royalty system;
- new avenues of revenue for government to replace the royalty system;
- an end to "ever increasing government intrusion" and establishment of an overall resource development policy;
- re-examination by the industry of its seasonal drilling patterns to increase efficiency;
- a commitment to a true partnership between supply and demand; and
- a recognition by both suppliers and producers of new opportunities for the supply sector as producers downsize.

Mr. Orman pointed out that in 1980 the resource sector made up 60-65% of the province's total revenue. In 1990 it accounted for less than 20%. What is a reasonable level of royalty? Currently royalties range from 6-7% for small companies to about 20% for large companies. Some at the lower end pay virtually no royalties. If royalties were zero, what would happen?

Mr. Thomson pointed out that the cost of bureaucratic compliance in the present complex royalty regime is non-productive. A 0% royalty might put government people out of work but it would put more people in the industry to work. The industry is downsizing, but we don't see government trying to do the same.

Mr. Orman admitted the royalty structure is complex and the government is working with the industry to make it less so. However, a flat rate would put some companies out of business.

Mr. Stewart asked Mr. Thomson to explain what he means by "ever-increasing government intrusion."

Mr. Thomson pointed to safety regulations which place additional non-recoverable costs on the service side.

Mr. Herring and Mr. Rourke pointed to environmental requirements related to woodland caribou habitat that create extra costs for certain drilling companies.

Ms. Mirosh pointed out that government is hearing increasingly of people's concerns over the environment and their demands that government protect it. What strategy does the industry recommend for an economic development policy that both creates jobs and looks after the environment?

Mr. Herring said that industry self-policing is preferable to government interference.

Mr. Stewart referred to the Associations' criticism of government efficiency and said that the average annual increase in government expenditures for the five years up to 1986 was 16-17%. Since that year, the figure has averaged 1.9%. However, on the revenue side, government has less control.

Open Forum

Rita Dempsey, a public school trustee, pointed out that responsibility for training and re-training must rest with business. The percentage put into training by Canadian business is much less than by business in Europe or the United States. We cannot only look to our traditional institutions for training and education, but must look more at apprenticeships. Too much expectation is put on the K-12 system and budgets are strained. We also need to change our culture to give the same value to a carpenter as to someone who has a university degree.

Mr. Stewart cited a statistic that in Japan the average employee spends 200 hours per year in in-house training; in Canada the average is 7 hours.

6. Association of Professional Engineers, Geologists and Geophysicists of Alberta (APEGGA): Dave Devenny, Noel Cleland, Bob Ross

Mr. Devenny quoted statistics showing that Canada is ill-prepared for the future. While Japan has 8 engineers per 1,000 people, Canada has only 4. On the bright side, Alberta has 10 engineers per 1,000 and Calgary, 20.

He outlined APEGGA's vision for Alberta in the year 2000 -- a desirable place to live and work in terms of: quality of life; universally available educational facilities; meaningful work for all who want it; and a vibrant, stable economy with development funded by the private sector and facilitated by government.

This will be achieved through a focused strategy that encourages private development of key industries which make effective use of Alberta's unique resources. This requires:

- public involvement throughout the process;
- identification of wealth-creating industries worthy of support;
- development by the private sector;
- government incentives that support rather than direct;
- options that encourage investment by all Albertans;
- transfer of the extensive knowledge, service and transportation infrastructure of the conventional oil sector to economic development of the oil sands; and
- a cooperative, balanced, responsible approach to economic development and protection of the environment.

The function of government in this vision is "to listen, cooperate, facilitate, regulate, but not to emulate industry or the banks." Government acts as a catalyst, but does not participate as owner in major projects. Government initiatives should encourage investment by the small investor. Private sector investment in public infrastructure projects should be encouraged.

The Alberta Heritage Trust Fund should be officially cancelled and applied to debt. Its existence gives the wrong impression that there is "mad money" to be spent.

Mr. Orman asked the presenters to comment on Alberta's education system.

Mr. Devenny said Alberta's schools need to start making science and technology attractive to students at an early stage and that there is room for strengthening science education at the secondary level. At the university level, industry and the community need to work with the education system to better focus programs to produce what is needed. Also, cooperative financing between industry and government, perhaps through matching grants, would help encourage research useful to industry. In-house training also needs to be encouraged, perhaps through tax incentives for people training on the job in the same way that incentives are already available for university students.

Mr. Isley asked whether technology already developed for conventional oil could be transferred easily to oil sands development.

Mr. Devenny assured him that APEGGA members' engineering and geological expertise is not locked into conventional oil development. He said it is important that government let the rules for development be well known. The government's reward should be taxation of successful operations "not royalties from Day 1."

Mr. Isley said he agrees with APEGGA regarding cancellation of the Alberta Heritage Savings Trust Fund.

7. Private Citizen: Ann Wilson, Executive Director of Calgary Catholic Immigration Society

Ms. Wilson said the Society's staff is made up 80% of new Canadians representing 30 ethnocultural groups. Many of them have advanced degrees and have made significant career changes in coming to Canada. The Society would like to see the Alberta government take a leadership role in analyzing world events and how they will impact on the province's economy. It is important that government present a realistic picture to people who want to come to Canada.

When we talk of "competitiveness" and "risktaking" in the Toward 2000 Together document, we must realize that we have to change to become competitive risktakers. "New settlers" are risktakers by definition because they took the initiative to come to a new country. With their new ideas and skills, they have much to offer Alberta.

Ms. Mirosh said the government is addressing the issue of jobs for new immigrants, and more importantly jobs in which they've been trained. Also, a task force appointed by the Career Development and Employment Minister has made recommendations to put a system in place to recognize equivalency of education for new immigrants.

Mr. Orman said the government has tripled expenditures on language training to $17 million since 1985. Are there other ways government can address the needs of immigrants to help them join the workforce?

Ms. Wilson said new settlers want the opportunity to compete fairly in terms of accreditation of skills and previous experience. They also want the opportunity to work in apprenticeship programs. More money is not needed for ESL training. Rather the dollars should be spent differently. It would be helpful, for instance, to provide workplace-based ESL training to make it results-oriented.

8. Private Citizen: Ted Morawiec, consultant, Global Manufacturing Consortium

Mr. Morawiec focused on Alberta's manufacturing industry and the negative image of the industry created by news about layoffs and plant closings. He believes labour has to become more cost-effective. It is time Alberta took manufacturing seriously. It is possible for government to stimulate growth.

- Create a cooperative working partnership among manufacturers, educators and government to provide the educated, world-class personnel that companies need to compete.
- Provide the technical knowledge and entrepreneurial capability needed to carry an enterprise from infancy to greatness.
- Educate the financial community on the needs of the manufacturer.
- Provide the incentives needed for manufacturers to locate in Alberta.

- Help Alberta manufacturers form strategic alliances with global companies and find niche markets.

In short, develop a "manufacturing culture" in Alberta.

Mr. Isley asked what kind of incentives he would recommend.

Mr. Morawiec replied that government should not be "the pocket" but should be educating the manufacturer on how to be more efficient and effective. But there is not enough manufacturing experience within government. There needs to be a better understanding of what it is to be competitive. He has considerable experience in Ontario with more than 100 companies. From his perspective, Alberta has the technology, but not the management expertise for manufacturing. Specifically, the global trend is toward employee empowerment and the team approach. Alberta manufacturers need education in this style.

9. Town of Canmore: Mayor Paula Andrews

Ms. Andrews made the following points to be considered in developing an effective economic development strategy.

- It is important to build on regional strengths.
- A cooperative partnership among local communities, the private sector and government can enhance these regional advantages for the benefit of the entire province.
- The education system must be a priority. This involves all levels of government and the private sector.
- A solid infrastructure is needed in both soft (post-secondary and vocational training, marketing and research programs, etc.) and hard (transportation, utilities, and education, etc.) forms.
- It is important to understand each community's reason for being and realistic prospects for growth.
- Limited government funds must be allocated to support the winners.

She outlined the competitive advantage of the Canmore-Bow Corridor for tourism-related growth. The key to realizing this advantage lies in a partnership of local community, private sector and the province to create the necessary infrastructure.

Mr. Isley asked where there are weaknesses in the current infrastructure system.

Ms. Andrews said future impact on roads, sewers, etc. in the area will be created by tourists rather than the people living in the area. Development has already outstripped the infrastructure.

Mr. Orman asked if the Corridor's infrastructure requirements would differ significantly from that required for other areas.

She responded that unique environmental requirements and mountainous location would make infrastructure development more expensive than, for instance, in cities.

10. Siksika Economic Development Corporation: Ron Many Heads, Tribal Councillor responsible for economic development and Chairman of SEDCO

Mr. Many Heads said the Siksika Nation is the 12th largest Indian nation in Canada and the country's second largest reserve in terms of area, with a population of 4,200.

The nation formed Siksika Economic Development Corporation (SEDCO) in 1987 to plan, coordinate, and administer a variety of ventures to enhance the economic development of the Siksika Nation. SEDCO owns, controls and assists enterprises ranging from a supermarket and a garment manufacturing facility to a resort and a ranch. The corporation:

- serves as a bridge between the nation and prospective investors;
- provides current information on business opportunities on the reserve;
- conducts negotiations for specific ventures;
- contributes equity to joint ventures;
- enters legal agreements, including leasing of reserve lands; and
- assists in employment development and training.

SEDCO has established a number of successful enterprises, which Mr. Many Heads outlined, including a $5-million retail complex. It provides business opportunities to Native entrepreneurs and provides goods and services formerly available only off the reserve.

SEDCO offers training and support to reserve members with entrepreneurial interests and skills. It is also aggressively seeking joint venture opportunities with off-reserve investors by offering a package of attractive incentives. The corporation's economic development campaign is being carried out under the slogan "Enterprise Strong and Free."

Mr. Orman asked to what extent the corporation is marketing its products outside the Alberta border.

Mr. Many Heads said the corporation feels that if Alberta and Canada support the marketing efforts of Canadian manufacturers, the enterprise will succeed.

An associate of Mr. Many Heads in the audience added the comment that the Calgary Stampede Association turned down locally made goods in favour of those made in Taiwan. He also said: "Indians have been around for thousands of years. We were the Alberta economy. We're serious and we want to participate."

Mr. Orman introduced Education Minister Jim Dinning, who was a member of the audience.

11. LaFarge Canada Inc.: Jack Paine, President

Mr. Paine's company is a cement plant and limestone quarry operation located in the Bow-Canmore corridor. Using a slide presentation, he began by listing some of Alberta's competitive advantages and disadvantages. Advantages: natural resources, good climate, educated, energetic population. Disadvantages: landlocked, small population, distance from markets.

Opportunities exist in developing products for international markets, particularly Asia and Eastern Europe. Industry, labour and government all have a role to play. Industry must:

- develop natural resources competitively using high technology solutions;
- support training as a strategy;
- work with Alberta's educational systems, offering financial as well as moral support;
- operate in environmentally safe ways and work cooperatively with environmental groups;
- increase research, training and development of high-tech industries; and
- encourage the small entrepreneur.

Labour must:

- work with management and government to improve training;
- get involved in education, working with employee associations and educational institutions;
- encourage productivity; and
- get involved in environmental education.

Government must:

- keep taxes competitive;
- demand environmentally safe operations without extreme regulations that stifle projects;
- teach that industry and economic development can work in harmony with the environment;
- work with industry associations, especially smaller ones;
- encourage the private sector, perhaps through tax incentives or grants, to use training as a strategy;
- ensure the integrity of Alberta's educational systems, fund them adequately, and make sure graduates have a grasp of the real world;
- develop research facilities jointly with industry;
- foster an entrepreneurial culture;
- ensure good transportation routes;
- use the Alberta Heritage Savings Trust Fund to support diversification;
- continually review government spending priorities; and
- streamline the development permit system -- too many agencies and levels of government are involved now, making the process too costly for industry -- consolidate hearings and trust industry more.

Ms. Mirosh asked how industry can be trusted. She said that in past years industry over-rode environmental and community concerns in favour of development and lost the people's trust.

Mr. Paine said industry got what it deserved but has now learned its lesson.

Regarding education, Mr. Dinning pointed out that generally "most teachers are not by nature capitalists" and asked what role business can play in bringing the real world into the classroom.

Mr. Paine said this could be accomplished simply be inviting business people into the schools to talk to students.

12. Building Owners and Managers Association: Bill Partridge and Herb Reynolds

Mr. Partridge said public funds might best be invested in infrastructure on an as-required basis to attract targeted private-sector investment. Economic development is everyone's responsibility and there needs to be a partnership approach.

Government's role is to act as facilitator and to ensure that its fiscal policies are sound, responsible and consistent. The international customer will decide where he will spend his dollars based on the lowest price for best value.

Alberta needs to revamp the educational system so that graduates come out with marketable skills. The current system is run by bureaucrats. This needs to be reversed.

We also need to balance environmental and economic concerns.

Ms. Mirosh asked how government can streamline the educational bureaucracy.

Mr. Reynolds suggested turning education into a business. The system is too bogged down by unions and tenured professors with their own agendas, he said. The system hides incompetents. Institutions that operate privately turn out better students.

Ms. Mirosh pointed out that in other jurisdictions, education hasn't improved when the private sector takes over.

Mr. Partridge pointed out that building operators today must manage complex high tech systems and are often responsible for the health and safety of thousands of people, but SAIT and NAIT programs are not turning out people with the needed skills. Functional illiteracy is a problem.

Mr. Reynolds said the regulatory system is too rigid, often forcing developers to use more highly trained people to perform functions less skilled people could be trained to do as well.

Open Forum

An individual who identified himself as a sociologist stepped forward and addressed the theme that the education system must produce students to meet the requirements of industry. He pointed out that individual students vary widely in their interests and talents. Education can never create a tight fit between students' knowledge and industry's needs. The human mind does not work that way. We can only concentrate on the development of the individual mind.

FRIDAY, February 28, 1992

Mr. Orman introduced Dr. David Carter, Speaker of the Legislature and MLA Calgary-Egmont, who was a member of the audience.

13. Calgary Convention and Visitors Bureau: Henry Kutarna and Doug Lauchlan

Mr. Lauchlan said the challenge for the next decade is that Albertans must recognize tourism (Alberta's third largest industry) as an industry and bring all the strands of the industry together to act in concert. Planning is necessary and government has a role in encouraging the planning process, which must come from the industry itself. Also, Alberta cannot rely on its natural attractions alone and appeal to individual travel to develop the industry. In positioning Alberta internationally, we must also address the role of convention travel.

Mr. Kutarna said the industry can no longer concern itself only with the business of marketing, but needs to look to public policy questions. Among the steps the Bureau is taking include:

- using a yield management strategy to concentrate on high-spending, long-staying markets;
- positioning the tourism industry to Albertans as a powerful generator of economic wealth;
- recognizing that the industry requires an array of public policies to create a welcoming environment and professionalism in the work force;
- entering into strategic alliances -- for example, a twinning relationship with the Fort Worth, Texas Visitors and Convention Bureau and cooperation with neighbouring zones to promote Destination Southern Alberta; and
- fostering new capacity (investment) to service the industry with new facilities and attractions, including creative new financing methods such as community development bonds and ways to focus the hotel room tax to support the industry.

During questioning, Mr. Lauchlan said we have to extend our thinking beyond traditional ways of looking at the tourism industry and recognize many other factors that go into making a world-class destination, such as a well-developed knowledge industry.

14. Town of Olds: Hugh Bodmer

Mr. Bodmer said there are tremendous opportunities for development in rural Alberta, but they require patient equity capital for investment in small business. Communities need access to the types of financial information and equity structures available in larger centres.

Local development corporations have been able to raise capital for local projects, but the funds are generally too small to create leverage or to diversify investment. Mr. Bodmer suggested that local development corporations might form regional funds of $5 million to $10 million. Shares in these funds must be publicly traded, to allow liquidity and to allow people to invest RRSP funds. Such regional funds would give communities the opportunity to invest in themselves and would provide a magnet to outside investment. There should also be an opportunity for co-ventures between local funds and larger funds, such as Vencap.

Ms. Mirosh asked how government would be involved in a community bond arrangement.

Mr. Bodmer said he wasn't sure and that is why rural communities need access to sophisticated financial architectures to find ways to set up bond programs.

15. Alberta Wheat Pool: Ray Schmitt, Mike Scally

Mr. Schmitt stressed the importance of agriculture to the Alberta economy: the sector creates one out of three jobs in Alberta. Alberta's agricultural products have a reputation for quality and the Canadian farmer can compete anywhere in he world providing the playing field is level.

The pricing problems we are experiencing are short-term. The demand for agricultural products will increase as population increases. The Pool addresses the future of agriculture in terms of environment, education and economics.

Environment: Soil degradation may be the most damaging natural resource problem of the '90s. We need agricultural policies with land stewardship in mind, using incentives and information transfer rather than penalties to encourage soil conservation. We also need to develop more technology for soil conservation.

Education: The level of knowledge required to run a farm today is high. We have been falling behind in providing education for farmers. Only 28% of Alberta's farmers have some post-secondary education as opposed to over 80% of farmers in Scandinavian countries. The educational system has to offer customers what they want when they want it, at a price they can afford.

Economics: We must have multiple goals for the economy, balancing efficiency with social goals. In an ideal world, government assistance for farmers would not be required, but in reality farmers face large market and production risks with little control over prices.

The family farm must be preserved. It is the best way to ensure land stewardship. Therefore we need stable interest, exchange and taxation rates, safety nets, and support in trade wars. Marketing boards give clout to the little guy in a world of large combines. We must resist pressure from trading partners in current international trade talks.

Government needs to continue to support agricultural research, but private industry must be responsible for technology transfer.

Ms. Mirosh asked about food processing as a method of diversification and how the industry might be developed better than it is now.

Mr. Schmitt said that manufacturing is not a high priority of a grain organization like Alberta Pool.

Mr. Scally added that the more Alberta can get into food and beverage manufacturing the better. But Alberta produces such a large volume of grain it will have to be a grain exporter for a long time to come. Manufacturing crackers, for instance, uses a small fraction of grain output. One way of looking at value-added for grain farmers is to grow products to specification as some are doing for the brewing industry. He concluded that Alberta needs to diversify the rural economy to take the burden off agriculture.

16. Calgary Economic Development Authority: Bruce McDonald, President; Ron Nichol, head of Calgary into the 21st Century process

Mr. McDonald discussed Calgary's economic development strategy, Calgary into the 21st Century, published in 1989. The strategy is the result of a long public input process and was put together by volunteer effort.

He outlined Calgary's Vision for the 21st Century, which sees Calgary as a people-oriented city and the world's first information port, among other things. The task force set out three goals and 11 strategic challenges in order to achieve them. The process moved on to list the actions required to meet these challenges.

A further list of 14 refined goals was developed and a strategic alliance of volunteers and senior community leaders was established to accomplish them. They have organized into eight facilitation groups, each with responsibility for carrying out the steps required to achieve goals in a certain area, such as information port. Partners in the process will include a wide range of organizations from educational institutions and business groups to federal and provincial government agencies and departments.

Mr. McDonald recommended that the Toward 2000 Together process take the opportunity to gain from the expertise acquired by Calgary in its Calgary into the 21st Century initiative.

Mr. Nichol added that the involvement of all southern Alberta municipalities is important to the process. He also stressed that the initiative is primarily a volunteer effort.

Ms. Laing asked how the facilitation groups will mesh with existing community groups.

Mr. Nichol replied that they are not designed to take over functions of existing groups, but to oversee the implementation of the vision by bringing everyone together in the process.

17. Calgary Chamber of Commerce: John Currie, Bill Kaufmann, John Simpson, Senior Manager of Standens

Commenting on the current situation, Mr. Currie said immediate changes are needed in economic policy. Business does not want or need special grants, incentives or loan guarantees. It needs the opportunity to compete fairly. The role of government is to maintain the free enterprise system. Government at all levels must demonstrate fiscal responsibility and eliminate policies that hamper growth. Family Day, for instance, is counterproductive in that business must pay for it. Why not have it on a Sunday?

He also said the Chamber is concerned about electrical energy and utility rate increases due to government control.

The Chamber recommends the following ways government can encourage economic development at little cost:

- increase the capital cost allowance to encourage business to invest in new equipment;
- overhaul the oil and gas royalty system;

- simplify and reduce the impact of taxes -- over 20 taxes can apply to a single product under the current system;
- review government support policies that restrict growth in one area in favor of another, as in EEMA;
- eliminate inter-provincial trade barriers;
- recognize high value-added exporting industries as major contributors and support the expansion of existing successful industries -- the government tends to favour high tech businesses;
- emphasize development of existing technology;
- pool resources of industry, research and education to create a competitive mass on a global scale;
- reduce the cost of the civil service, perhaps by combining departments, and rewarding civil servants who achieve cost efficiencies;
- support partnerships in the delivery of educational systems and perhaps combine departments of education and advanced education; and
- target environmental regulations toward realistically obtainable goals.

Mr. Simpson gave an example of how EEMA has affected the competitiveness of his company, which makes steel springs, and its supplier, Stelco. The reduction of the energy tax rebate has increased the cost of Stelco's steel, forcing Standen's to buy much of its steel outside of Alberta and reducing the value-added capacity of the province's steel industry.

Mr. Orman said he would announce on Monday a report on EEMA and the appointment of a review committee on EEMA which will hold stakeholder meetings leading to recommendations to Alberta Energy.

He then asked whether the Chamber is working with the Edmonton Chamber to achieve common goals.

Mr. Kaufmann responded that the two chambers held meetings with the universities and school boards regarding the problem of students being turned off science and technology. There needs to be much closer cooperation among existing educational resources to achieve goals for global competitiveness.

Ms. Mirosh pointed out that members of government represent their constituents, of whom at least half want a Family Day holiday.

18. Calgary Research and Development Authority: Bill Croft, Alastair Ross, Fred Mannix

The Authority believes research and development are essential to creating and sustaining the quality of life for Albertans. The Authority feels the province can develop a strong, viable research-based, knowledge-intensive sector by following these strategies:

- enhance the innovative capacity of existing companies through improved technology development, technology transfer and technology management;
- create innovative advanced technology companies through incubators, joint research ventures, and provision of early stage financing or making early stage financing easy to get;
- help existing companies exploit their potential by joint ventures, mergers and management development; and
- attract new companies to Alberta through pro-active promotion.

To do this we need the following assets:

- people skilled in development, manufacture and marketing of new products, particularly entrepreneurs;
- strong regional market;
- patient capital to fund research and development;
- leading edge technology;
- infrastructure; and
- facilitators.

Alberta has considerable strengths in each of these areas. We must focus on opportunities to build on these.

To do this the Alberta Government needs to:

- reward risktakers by modifying the tax systems to attract entrepreneurs; broaden the definition of research to include all risk activities necessary for innovation; provide tax credits proportionate to risks involved; and establish a tax regime that is competitive with other jurisdictions;
- attract a pool of skilled manpower by supporting Alberta's universities and technical institutes and establishing for science and engineering the equivalent of the Alberta Heritage Foundation for Medical Research; and
- increase the number and magnitude of economic engines which fuel growth of new companies by working in partnership with the economic development authorities of Calgary and Edmonton to receive federal procurement, and get at public institutional procurement by structuring budgets and grants to agencies to reward local procurement.

Mr. Orman said he is sold on the Authority's presentation. In terms of infrastructure what support should government provide for a knowledge-based industry?

Mr. Ross said provincial and city government support has been substantial. Now government, industry and universities need to work together to create a core of researchers which in turn will attract high technology to the province.

Ms. Mirosh referred to the Authority's call to modify tax policies while at the same time asking government to increase funding in education and R&D. Shouldn't business be responsible for R&D?

Mr. Mannix said that business "does perfectly what the tax structure tells it to do." The tax structure discourages risk-taking with the result that Canadians' capacity to take risks is much less than that of our competitors. Government has to modify the tax structure to create a better risk/reward ratio.

19. Mount Royal Faculty Association: Wayne Haglund

Mr. Haglund said the Faculty Association feels it can cooperate with business in many ways. For instance, there is a desperate need for ways to match students with relevant work experience. This could take the form, for instance, of structured co-op programs as well as less formal arrangements such as summer employment programs. Work-study programs are another option and could take many forms. The faculty is very keen to engage in these activities.

In addition, the Association suggests that employers might use the skills and expertise of the College's faculty members and those of other institutions by:

- inviting faculty to serve on advisory committees;
- participating in job exchanges with faculty; and

- using faculty consultants in business.

The provincial government should look closely at:

- facilitating revenue-generating or cost-recovery programs such as tailored instructional programs and research that benefits the business community;
- giving the College degree-granting status for applied academic degrees involving some aspect of work experience or on-the-job training.

Mr. Stewart asked Mr. Haglund how an institution could be utilized by industry for distance learning.

Mr. Haglund said there would be no difficulty in having faculty teach off-campus providing the objectives of such a program are clear.

20. Students Association of Mount Royal College: Sandeep Dhir, President

The Students Association has identified some problem areas regarding the government's emphasis on education for developing a competitive workforce.

- Is the integration of business and education necessarily progressive?

- How will underfunding of post-secondary education be corrected?

- Should Mount Royal College become a degree-granting institution?

The Association recognizes the need for a partnership among business, government and education to ensure that education is relevant to the job market. But education also has a social function. Will business seek to satisfy short-term requirements at the expense of a liberal arts education?

Is the province using "partnership" as a code word to abrogate responsibility for funding of secondary education? Funding caps over the past few years have already made it necessary to turn away qualified students.

The Association fears the degradation of post-secondary education and loss of value of liberal arts with increasing involvement of business in education. Students with a liberal arts background are adaptable. An oversupply of specialists might not be desirable.

Student assistance does not measure up to the cost of being a student. Students live well below the poverty line. The Association calls upon the government to examine benefits of an income-contingent student repayment plan where those who receive the largest financial benefit of their education pay a larger proportion of the cost.

The Association sees potential disadvantages of rationalization of the province's education system if the government does not fund it adequately.

The Association proposes that:

- funding of liberal arts education be ensured and insulated from business funding of other parts of the post-secondary system;
- increases in tuition be matched by increased government funding;
- that merits of an income-contingent student loan system be analyzed; and
- that post-secondary education be treated as an investment rather than a cost and be funded accordingly.

Mr. Orman pointed out that the cost of tuition is about $2 to $3 a day per student. What is an appropriate ratio between user-pay and taxpayer responsibility for education?

Mr. Dhir said that looking at tuition alone is unfair and pointed out that the current student loan system is inadequate because it is unindexed and creates a disincentive for students to work while going to school.

Ms. Mirosh asked if the taxpayer should also pay for the continuing education required for career changes. Mr. Dhir replied that society benefits as people retrain and become productive members of the workforce.

21. S.A.I.T.: Dale Landry

Mr. Landry listed a number of well-known products, including snowmobiles, and pointed out that they are Canadian inventions. But in not one case does Canada lead the world in production. "We have the vision but not the ability to turn visions into commercial realities," he said.

The only way the post-secondary education system can serve its students is to provide exactly what their prospective employers need. "I view business as our ultimate customer. Learners buy our training to re-sell to employers."

Canada is declining in every measure of competitiveness including industrial efficiency, international orientation and future orientation. The main factor is poorly trained workers and managers.

Among the challenges we face today are that:

- We must emphasize advanced skill training with state-of-the art equipment to train on.
- Training has to be expanded to emphasize productivity and quality service as well as an appreciation for other languages and other cultures as is required for a trading nation.
- We need national standards and a Canada-wide agreement on education.

The single solution to these challenges is career training, as distinguished from training for scientists, engineers, MBAs and liberal arts. Canada spends 75% of the public education dollar on university education and only 25% on technical career training. "Canada has a learning culture but not a training culture." Students who pursue careers in technical areas must not be treated as second-class citizens in the educational system.

Mr. Landry also said that:

- We must emphasize the commercialization of ideas as well as research leading to new technologies.
- Incentives must be provided for individuals to invest more in their own training, for instance through a tax credit for those pursuing careers that society requires.
- Technical institutes must become centres of advanced technology.

Mr. Orman asked how a training tax credit for people pursuing targeted

disciplines might work.

Mr. Landry described systems used in France and Australia whereby a company receives a write-off if it can prove it invested 1-1/2% of its payroll in training.

Ms. Laing asked how the educational system might start creating a training culture at the elementary level.

Mr. Landry replied that we must get away from an elitist educational philosophy that does not give enough respect for the people who create the wealth.

22. University of Calgary: Murray Fraser, President; Dr. Don Detomase, Associate Vice President for Planning

Mr. Fraser referred the panel to the University's plan, Building on the Vision and said the University will file a major brief later.

He addressed some major issues outlined in the Toward 2000 Together document, including:

- Human resources: The University agrees this is a top priority and also agrees with Mr. Landry regarding the problem of educational elitism. The University sees room for a closer integration of educational and economic priorities through, for example, expansion of the University's co-operative education program. The University also agrees with the emphasis on life-long education and training. The U of C intends to increase its emphasis on entrepreneurship, which exists now primarily in the Faculty of Management.

- Environment and quality of life: The strategy to increase value-added production of the province's natural resources will require a significant increase in R&D. He re-iterated a 1984 proposal to use the Alberta Heritage Savings Trust Fund to create a trust for research in science and engineering and one in social sciences. He also said the University is committed to working more closely with industry and government in developing and marketing environmental technologies.

Mr. Orman asked about the role of a liberal arts education in the future.

Mr. Fraser said he increasingly hears business people say they want people who can communicate and conceptualize. His interest as an educator is to start with a broadly based education and let specialization develop down the line.

Ms. Mirosh asked what initiatives has the University taken to encourage a more global outlook.

Mr. Fraser said the University is going through a process of internationalizing its programs. The U of C has the greatest level of international participation of any university in Canada.

23. Mount Royal College: Thomas Wood, President

Mr. Wood addressed the need for continuing education throughout a person's lifetime in today's society. This will require major changes in the educational system.

He cited statistics showing employment for people with university education is on the increase, while employment for people with only high school education is decreasing. The jobless rate for white collar workers is half that for blue collar workers. We are experiencing a fundamental restructuring of our economy and this has fundamental implications for education and training.

We have an unemployment rate of 10.4% coexisting with the highest job vacancy rate ever -- over 500,000 jobs -- because we cannot find the skilled people to fill them. In Alberta the dropout rate is 30%. But graduates are coming back to high school because they cannot find places in post-secondary education. Even if we could solve the dropout problem, where would students go for further education and training?

Mr. Wood proposed that Mount Royal College become a four-year institution. The College has established a city-centre campus aimed at forming training partnerships with business. The aim is to provide a raised level of general intellectual skills as well a raised level of skills for the workplace.

The College emphasizes the following priorities:

- re-structuring of the educational system to provide a diversity of post-secondary educational opportunities;
- emphasis on human resource development;
- ensured access to post-secondary education;
- fostering of a learning culture; and
- promotion of partnerships and strategic alliances among business, education, labour and government to achieve education and training goals

Ms. Mirosh asked if the College is working with universities with respect to becoming a degree-granting institution. He replied that the College is proposing to offer degrees in areas not already served in Alberta. The College is working with Foothills Hospital and the University of Calgary on a nursing program.

24. Calgary Regional Planning Commission: Ivan Robinson

Mr. Robinson said the Commission serves 28 municipalities providing a grass roots perspective in a regional context. He made eight points relating to questions raised in the Toward 2000 Together document:

- The Commission does not believe government should increase spending on economic development.
- Government's role is to focus on maintaining a good business climate.
- Education and training are a key to success in the next century, but individual Albertans should take more responsibility for their education.
- Economic development and environment are not mutually exclusive. The question is only who should bear the costs.
- Government should continue to support regional and local community economic development and should not focus exclusively on larger cities.
- Research and development are too important to leave entirely to the private sector. Government should invest more in science and technology and provide incentives to the private sector to invest in R & D.
- Government should target specific industries, but carefully and with forethought.
- There should be more information available about the Heritage Savings Trust Fund and there should be more emphasis on investing in Alberta.

The three issues that should be emphasized in an economic strategy for the

province are: education and training, research and development and a competitive tax regime.

Mr. Stewart asked about the role of government in providing financial incentives for companies wishing to locate in Alberta. Should these incentives be company-specific?

Mr. Robinson said that more attention should be given to supporting existing businesses. Also, it is important to provide a good business climate with an eye to creating a level playing field for all businesses.

25. City of Calgary: Mayor Al Duerr

Mr. Duerr said that in Calgary's vision, a high quality of life is fundamental to an economic development strategy. He stressed that Calgary into the 21st Century has involved all stakeholders in a volunteer process so that there is a high level of ownership in the vision. He also pointed out that the human fabric of a community cannot be sacrificed for economic development. The focus must be on human resources.

Other points he made:

- More intergovernmental collaboration is needed to achieve economic development objectives. One small example: it would be helpful if Alberta Economic Development and Trade moved its offices back together with the Calgary Economic Development Authority.

- The province and city could spend economic development money more effectively if they collaborate on identifying needs and make sure programs address those needs.

- Inter-municipal cooperation should be encouraged and competitiveness discouraged, by legislation if necessary. We need a provincial strategy for attracting business and must avoid community bidding wars that compromise the local tax base.

- Provincial funding should be used for economic development activities, but maintaining the social fabric is also essential. Quality of life, and social and cultural infrastructure -- including social programs and education -- will give Alberta a competitive edge in the future.

- A competitive tax regime should not compromise important social programs such as education.

- The government should re-examine existing economic development policies, for instance EEMA. Some businesses are saying Calgary's electrical rates are no longer competitive.

- The Alberta Municipal Finance Corporation process should be speeded up so communities can put that money to work and create jobs.

Mr. Orman asked what initiatives Calgary has taken to strike a strategic alliance with the City of Edmonton.

Mr. Duerr said discussions have been held with Edmonton City Council, and the two cities' chambers of commerce and economic development authorities have met. It is counterproductive to compete against each other in the international

marketplace. The important thing is to take an all-Alberta approach and help each other out in the international marketplace.

26. Private Citizen: Duane Sharman

Mr. Sharman focused on Alberta's electronics industry citing his 15 years of experience in the industry, mostly on the export side. However, he pointed out that his recommendations would also apply to other high-tech industries.

Today most of Alberta's exports are resource-based with very little value-added. But our competitors have lower extraction costs. We need to develop high value-added exports, specifically products with high-tech components. Much of our high-tech industry derives from the oil and gas industry, but as expansion in the petroleum industry has dropped off it will not be able to fuel continued growth in the high-tech industry. A strategy for growth in Alberta must exploit the synergies between the oil and gas industry and the electronics industry.

Mr. Sharman said Alberta has not attracted the investment capital required to support the growth of high-tech companies. This is because the current investment climate doesn't facilitate growth of companies from the point at which they seek to commercialize their technology -- when they need to move into production rapidly, market their products, and provide adequate services. Government generally funds the high-profile, pre-commercial R & D stage, then walks away leaving companies undercapitalized.

Among his many recommendations, Mr. Sharman proposed:

- that Alberta attract external capital through transferable tax credits, thus motivating engineers and scientists to get together with capitalists;
- that we foster competitiveness locally among companies on the premise that companies which survive locally will be strong players internationally;
- that we encourage proliferation of many small start-up companies rather than vertically integrated companies;
- that we encourage clustering of high-tech firms to help support the specialized infrastructure needed for growth in the industry; and
- that we encourage closer ties between industry and educational institutions, encourage cooperative research, and foster an entrepreneurial climate in research institutions through funding tied to technology transfer.

Open Forum

Eva Wright, Chairperson of the Alberta Committee of the Canadian Association for Cooperative Education but speaking as a private citizen, suggested looking at education as a business, building on Alberta's reputation as a centre of educational excellence.

Alf Lewis, a member of the board of the Association of Canadian Travellers, raised a plea for a response to a proposal made five years ago by his association to sell lottery tickets in lounges and hotels for the benefit of hospitals. His group would organize, finance and operate the system. They have written to all the appropriate government departments, agencies and commissions and have received inadequate response (either no response or form letters).

Mr. Orman assured him he would carry Mr. Lewis's concern to the Minister responsible for lotteries and the Alberta Gaming Commission.